

**ASSEMBLY BILL**

**No. 438**

---

**Introduced by Assembly Member Williams**

February 14, 2011

---

An act to amend Sections 19104, 19106, and 19116 of the Education Code, relating to libraries.

LEGISLATIVE COUNSEL'S DIGEST

AB 438, as introduced, Williams. County free libraries: withdrawal.

Existing law provides that the county boards of supervisors may establish and maintain, within their respective counties, county free libraries pursuant to specified provisions of law. Existing law provides that the board of trustees, common council, or other legislative body of any city or the board of trustees of any library district may, on or before January 1st of any year, notify the board of supervisors that the city or library district no longer desires to be a part of the county free library system, as specified.

This bill would require that if the city's trustees, common council, or legislative body or the board of trustees of a library district intends to operate the city's or the district's library or libraries itself with the help of a private company that will employ library staff, that notice to the county board of supervisors be preceded by voter approval of the decision to withdraw from the county free library system and to employ a private contractor to operate the city's or the district's library or libraries.

Existing law requires that before any board of trustees, common council, or other legislative body of any city, or the board of trustees of any library district gives notice that the city or library district desires to become a part of the county free library system, or gives notice of

withdrawal from the system, that notice of the contemplated action be published, as specified.

This bill would provide that no notice need be given if the voters have approved the withdrawal pursuant to the provisions discussed above.

This bill would make other conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: no.

State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 19104 of the Education Code is amended  
2 to read:

3     19104. The board of trustees, common council, or other  
4 legislative body of any city or the board of trustees of any library  
5 district may, on or before January 1st of any year, notify the *county*  
6 board of supervisors that the city or library district no longer desires  
7 to be a part of the county free library system. *If the city's trustees,*  
8 *common council, or legislative body or the board of trustees of a*  
9 *library district intends to operate the city's or the district's library*  
10 *or libraries itself with the help of a private company that will*  
11 *employ library staff, this notice shall be preceded by voter approval*  
12 *at a regularly scheduled election of the decision to withdraw from*  
13 *the county free library system and to employ a private contractor*  
14 *to operate the city's or the district's library or libraries. The notice*  
15 *shall be accompanied by a statement complying with the*  
16 *requirements of Chapter 8 (commencing with Section 54900) of*  
17 *Part 1 of Division 2 of Title 5 of the Government Code. The clerk*  
18 *of the county board of supervisors shall file the statement with the*  
19 *county assessor and the State Board of Equalization. Thereafter,*  
20 *the city or library district shall cease to participate in the benefits*  
21 *of the county free library, and the property situated in the city or*  
22 *library district shall not be liable to taxes for county free library*  
23 *purposes.*

24     SEC. 2. Section 19106 of the Education Code is amended to  
25 read:

26     19106. Before any board of trustees, common council, or other  
27 legislative body of any city, or the board of trustees of any library  
28 district gives notice that the city or library district desires to become  
29 a part of the county free library system, or gives notice of  
30 withdrawal from the system, the board of trustees, common council,

1 or other legislative body of the city or the board of trustees of the  
2 library district shall publish at least once a week for two successive  
3 weeks prior to the giving of either notice, in a newspaper  
4 designated by the board of trustees, common council, or other  
5 legislative body of the city or the board of ~~library~~ trustees of the  
6 library district, and circulating throughout the city or library  
7 district, notice of the contemplated action, giving the date and the  
8 place of the meeting at which the contemplated action is proposed  
9 to be taken *unless the voters have approved withdrawal pursuant*  
10 *to Section 19104.*

11 SEC. 3. Section 19116 of the Education Code is amended to  
12 read:

13 19116. (a) Sections 19104 and 19105 are not applicable to the  
14 withdrawal of a city or library district from the county free library  
15 system in Los Angeles County or Riverside County. The legislative  
16 body of any city or the board of trustees of any library district,  
17 whose jurisdiction is within the County of Los Angeles or the  
18 County of Riverside, may notify the board of supervisors for Los  
19 Angeles County or Riverside County, as appropriate, that the city  
20 or library district no longer desires to be a part of the county free  
21 library system. *In the event that the city's legislative body or the*  
22 *library district's board of trustees intends to operate the city or*  
23 *district's library or libraries itself, with the help of a private*  
24 *company that will employ library staff, that notice shall be*  
25 *preceded by voter approval at a regularly scheduled election on*  
26 *the decision to withdraw and to employ a private contractor.* The  
27 notice shall state whether the city or library district intends to  
28 acquire property pursuant to subdivision (c). The board of  
29 supervisors shall transmit a copy of the notice to the Los Angeles  
30 County Assessor or Riverside County Assessor, as appropriate,  
31 the Los Angeles County Auditor or Riverside County Auditor, as  
32 appropriate, and the State Board of Equalization.

33 (b) When a city or library district files a notice pursuant to  
34 subdivision (a), it shall remain a member of the county free library  
35 system until July 1 of the base year or the date on which property  
36 is transferred pursuant to subdivision (c), whichever date is later.  
37 Upon ceasing to be a member of the county free library system,  
38 the city or library district shall not participate in any benefits of  
39 the county free library system, and shall assume the responsibility  
40 for the provision of library services within its jurisdiction. Unless

1 otherwise agreed by July 1 of the base year in writing by the Board  
2 of Supervisors of Los Angeles County or the Board of Supervisors  
3 of Riverside County, as appropriate, and the withdrawing city or  
4 library district, an amount of property tax revenue equal to the  
5 property tax revenues allocated to the county free library pursuant  
6 to Article 2 (commencing with Section 96) of Chapter 6 of Part  
7 0.5 of Division 1 of the Revenue and Taxation Code in the fiscal  
8 year prior to the base year and that were derived from property  
9 situated within the boundaries of the withdrawing entity shall be  
10 allocated to and used to maintain library services by the  
11 withdrawing entity in the base year and, adjusted forward, in each  
12 fiscal year thereafter at the same time allocations are made pursuant  
13 to Article 2 (commencing with Section 96) of Chapter 6 of Part  
14 0.5 of Division 1 of the Revenue and Taxation Code. This  
15 subdivision shall not apply to property tax revenues that have been  
16 pledged to repay bonded indebtedness of the county free library.

17 (c) If there are one or more county library facilities within the  
18 territorial boundaries of the withdrawing entity at the time the  
19 withdrawing entity provides notice pursuant to subdivision (a),  
20 the withdrawing entity shall have the right to acquire any or all of  
21 those facilities from the county and the county shall, no later than  
22 July 1 of the base year, transfer to the withdrawing entity each  
23 facility to be acquired and the personal property therein related to  
24 the provision of library services. If the facility or personal property  
25 was purchased with bond proceeds or other forms of indebtedness,  
26 acquisition shall only take place if the withdrawing entity assumes  
27 any remaining indebtedness and in no way impairs the repayment  
28 thereof. If the withdrawing entity opts not to acquire any facilities  
29 or personal property, the county at its discretion may dispose of  
30 the facilities or personal property or convert the use of those  
31 facilities or personal property, including transferring collections  
32 and other personal property to other sites and converting facilities  
33 to other purposes. If the withdrawing entity opts to acquire any  
34 facilities or personal property, the acquisition prices shall be as  
35 follows unless otherwise provided for by statute or contract:

36 (1) Each county library facility which, for the purposes of this  
37 section, shall include the real property upon which the facility is  
38 located and any fixtures therein and shall not include computer  
39 systems and software, shall be transferred for the lesser of:

1 (A) No cost, if the facility was donated to the county by the  
2 withdrawing entity.

3 (B) The price paid to the withdrawing entity by the county for  
4 the facility, if the county bought the facility from the withdrawing  
5 entity. However, if the county constructed capital improvements  
6 to the facility after it was bought from the withdrawing entity, the  
7 county's total out-of-pocket costs for the capital improvement  
8 excluding any costs for routine repairs, restoration or maintenance,  
9 shall be added to the price.

10 (C) The fair market value of the facility. However, if any portion  
11 of the facility was donated to the county by the withdrawing entity  
12 or if any moneys were donated by the withdrawing entity towards  
13 the county's construction or acquisition of the facility or any  
14 portion thereof, the value of the donation shall be subtracted from  
15 the fair market value.

16 (2) Any personal property within the facility related to the  
17 provision of library services, including books and resource  
18 materials, computer systems and software, furniture, and  
19 furnishings, shall be transferred for the lesser of:

20 (A) No cost, if the property was donated to the county by the  
21 withdrawing entity.

22 (B) The fair market value of the personal property. However,  
23 on or before the March 1 preceding the July 1 of the base year, the  
24 county librarian may designate collections of resource books and  
25 materials that are unique in, and integral to, the county free library  
26 system to be special collections. The special collections shall be  
27 acquired by the withdrawing entity only upon mutually agreeable  
28 terms and conditions.

29 (d) If a facility transferred pursuant to subdivision (c) serves  
30 residents of surrounding jurisdictions, the board of supervisors  
31 governing the county free library system may require, as a  
32 condition of transferring the facility, that the library services  
33 provided by the withdrawing entity to its residents also be available  
34 on the same basis to the residents of the surrounding jurisdictions.  
35 However, if the withdrawing entity contributes to the provision of  
36 library services from other city funds, or through taxes,  
37 assessments, or fees of its residents, the withdrawing entity may  
38 provide additional services to its residents. If the requirement to  
39 provide regional services is imposed and, unless otherwise agreed  
40 in writing by the county and the withdrawing entity by July 1 of

1 the base year, an amount of property tax revenues equal to the  
2 property tax revenues derived from property situated in the  
3 surrounding jurisdictions which were, in the fiscal year prior to  
4 the base year, allocated to the county free library system pursuant  
5 to Article 2 (commencing with Section 96) of Chapter 6 of Part  
6 0.5 of Division 1 of the Revenue and Taxation Code shall be  
7 allocated to and used to maintain library services by the  
8 withdrawing entity in the base year and, adjusted forward, in each  
9 fiscal year thereafter at the same time other allocations are made  
10 pursuant to Article 2 (commencing with Section 96) of Chapter 6  
11 of Part 0.5 of Division 1 of the Revenue and Taxation Code. This  
12 subdivision shall not apply to property tax revenues that have been  
13 pledged to repay bonded indebtedness. If a surrounding jurisdiction  
14 subsequently provides notice of its intent to withdraw from the  
15 county free library system pursuant to subdivision (a), on the date  
16 the surrounding jurisdiction ceases to participate in the benefits of  
17 the county free library system pursuant to subdivision (b), the  
18 withdrawing entity shall no longer be required to make library  
19 services available to the residents of the surrounding jurisdiction  
20 and property tax revenues derived from property situated in the  
21 surrounding jurisdiction shall no longer be allocated to the  
22 withdrawing entity pursuant to this subdivision.

23 (e) For purposes of this section, the following terms are defined  
24 as follows:

25 (1) "Base year" means the fiscal year commencing on the July  
26 1 following the December 2 following the date of the notice given  
27 pursuant to subdivision (a) of this section.

28 (2) "Fair market value" means:

29 (A) Any value agreed upon by the withdrawing entity and the  
30 county.

31 (B) If no agreement as to value is reached by the March 1  
32 preceding the July 1 of the base year, the value assigned by an  
33 appraiser agreed upon by the withdrawing entity and the county.

34 (C) If no agreement as to the appointment of an appraiser is  
35 reached pursuant to subparagraph (B) by the April 1 preceding the  
36 July 1 of the base year, the value assigned by an appraiser agreed  
37 upon between the withdrawing entity's appraiser and the county's  
38 appraiser.

39 (D) If no agreement as to the appointment of an appraiser is  
40 reached pursuant to subparagraph (C) by the May 1 preceding the

1 July 1 of the base year, the value assigned by a state certified  
2 appraiser designated by the withdrawing entity. The designated  
3 appraiser shall provide the appraisal in writing to the county no  
4 later than the June 1 preceding the July 1 of the base year.

5 (E) The withdrawing entity shall reimburse the county for any  
6 appraisal costs the county incurs in determining the fair market  
7 value pursuant to this section.

8 (3) “Surrounding jurisdictions” means cities and library districts  
9 that are adjacent to the withdrawing entity and tax rate areas in  
10 unincorporated areas of the county ~~which tax rate areas~~ *that* are  
11 wholly or partially within the withdrawing entity’s sphere of  
12 influence, ~~which cities, libraries, and tax rate areas~~ *that* are within  
13 the county free library system and have no facility within their  
14 territorial boundaries providing library services at the time the  
15 withdrawing entity provides notice pursuant to subdivision (a).